

**MINUTES OF THE REGULAR MEETING OF THE
WASHINGTON STATE TRANSPORTATION COMMISSION
September 18 & 19, 2002**

The regular meeting of the Washington State Transportation Commission was called to order at 9:00 a.m., on September 18, 2002, in Room 1D2 of the Transportation Building in Olympia, Washington.

Commissioners present were: Aubrey Davis, Ed Barnes, Elmira Forner, George Kargianis, A. Michèle Maher, Chris Marr and Connie Niva.

APPROVAL OF MINUTES

It was moved by Commissioner Niva and seconded by Commissioner Barnes, to approve the minutes of the August 14, 2002 Commission meeting. The motion was approved unanimously.

TRANSPORTATION COMMISSION ADMINISTRATOR REPORT

Chris Rose, Administrator, provided the Commission a proposed two-year schedule of local area meeting locations for 2003-2004. The two-year meeting schedule would allow Commissioners to think comprehensively about how to cover the entire state. The proposed meeting locations were: Bellevue, Everett, Walla Walla, Bremerton, Vancouver, Yakima, Grays Harbor and Spokane. In addition, the Commission would arrange a discussion with Thurston County area officials as part of a regular Commission meeting.

It was moved by Commissioner Barnes and seconded by Commissioner Maher, to approve the two-year local meeting schedule for 2003-2004. The motion was approved unanimously.

Mr. Rose presented a memorandum from Jim Hedrick, Director of Legislative Affairs, which outlined legislative performance measures mandated by Section 127, Engrossed Substitute Senate Bill 6387. The memorandum's attachment asked specific questions relative to program effectiveness and requires responses from 88 agencies including the Transportation Commission.

OFFICE OF THE SECRETARY REPORT

Secretary MacDonald introduced Chris Christopher to the Commission, announcing his recent appointment to the position of State Maintenance Engineer for the Department. Secretary MacDonald welcomed Mr. Christopher and commented that he has been working in the Southwest Region as a traffic engineer, and that he had previously worked in WSDOT headquarters in Olympia. Mr. Christopher stated that he has worked for the Department for 10 years, and that he is very excited about working in maintenance operations. The Commissioners congratulated Mr. Christopher on his new position.

Secretary MacDonald distributed to the Commission a draft set of "Accountability" web pages that would be placed on the Department website to document investments made as a result of the 1990 gas tax increase; including highway and corridor improvements, HOV lanes, interchange improvements, highway paving and rehabilitation, bridges, ferries and passenger rail. Secretary MacDonald explained the gas tax revenue increases that WSDOT received and the distribution of those taxes in capital projects throughout the state.

Secretary MacDonald also distributed a draft of the Transportation Accountability Audit Quarterly Project Report, and stated that a similarly formatted report would be used to implement the requirement in ESHB 2969 on the delivery of Referendum 51 funded projects.

Secretary MacDonald briefed the Commission regarding the Motorist Information Sign Privatization presentation that was made to the Legislative Transportation Committee. He stated that the motorist information sign contract will describe the contractor's scope of work, and will identify state and federal laws, regulations and policies the contractor will need to meet in fabricating, installing and maintaining motorist information signs.

Secretary MacDonald emphasized the importance of the WSDOT Incident Response Program, and how an incident can cause a backup on highways that can result in traffic delays. The Incident Response Program goals are to provide response within 10 minutes and clearance of the incident within 90 minutes.

Greg Selstead, Program Delivery Manager, addressed the Commission regarding Highway Construction Program Delivery. Mr. Selstead provided a report that explained expenditure rates showing the Department's favorable project delivery progress in the current biennium. He explained the graph indicators that show how the Improvement Program is the major influence for the current expenditure levels. Specifically, mobility and safety improvements and economic initiatives have seen aggressive spending levels during the first 13 months of the biennium. Mr. Selstead stated that the reason for the considerably more aggressive expenditure levels to date in 2001-2003 are a result of the Department's diligence and attention to getting projects to advertisement. This has been an important management focus and is tracked quarterly in the Gray Notebook.

Colleen Jollie, Tribal Liaison, stated that she has been working with the Department on the Centennial Accord Plan to develop a coordinated consultation policy for the agency. She commented that the policy is intended to provide a consistent and equitable standard for working with various tribes across the state, providing flexibility, while recognizing each tribe as a sovereign nation. Ms. Jollie stated that the WSDOT Centennial Accord Plan would provide a framework for the Department to implement an effective and respectful consultation policy that will identify services and programs available to tribes across the agency.

Secretary MacDonald gave an update on the Tacoma Narrows Bridge project. He stated that the State Bond Council gave approval to the State Treasurer to proceed with selling the 30-year bonds, and that some of the bonds have been sold.

WASHINGTON STATE FERRIES STRATEGIC BUSINESS PLAN

Mike Thorne, CEO, Washington State Ferries (WSF), presented a ferries strategic plan to the Commission. Mr. Thorne proposed that the Commission endorse a plan for reducing the operating subsidy required of the Motor Vehicle Fund while spreading out future fare increases. He stated that under the new plan WSF anticipates being able to cover 90 percent of its own operating costs by 2008. The new business plan is based on a balanced approach that reduces the dependence on tariff (fare) increases, removing some of the burden from WSF passengers. Mr. Thorne stated that the current law budget situation makes it very difficult to achieve farebox recovery, and the goal is to change direction. He stated that the plan reduces the pressure on customers, but increases the pressure on management to perform. This plan is a new strategic approach to financial planning that includes: fare increases, generating new non-farebox revenues and efficiency improvements. Mr. Thorne stated that he has taken into consideration limited future-funding options that will allow for stability for the system by generating new opportunities for revenue, finding internal efficiencies, and not counting on ridership to shoulder the burden of financing the system. Mr. Thorne stated that the strategic goals are to continually improve and refine business processes, broaden revenue base, reduce costs, and to promote and assist in the planning of regional transportation centers.

Sam Kuntz, Chief Financial Officer, Washington State Ferries, stated that the new business plan "summed up" is 5 percent cost reduction plus 5 percent fare increases plus 5 percent new revenue equals 90 percent of operating costs covered by the ferry system by 2008. He stated that a 5 percent increase in fares generates the same total revenue as the originally proposed 10 percent increase in 2003, and 7.5 percent in 2004. Commissioner Davis stated that the Commission endorses the strategic plan.

COMMISSIONER REPORTS

Commissioner Maher reported that she had attended the Trent to State-line arterial ribbon cutting in Spokane. She also attended the Governor's Economic Development Conference sessions focusing on international trade and freight movement.

Commissioner Forner reported that she had attended several ferry advisory committee meetings. She shared some of the issues; such as parking at terminals, security and that the ferry communities wish to be advised of rule changes. She reported that she had attended the Governor's Economic Development Conference session on partnering with the tribes in order to expedite the permitting process.

Commissioner Marr reported that he had attended the Governor's Economic Development Conference. He commented that there was not a breakout session on transportation issues. He reported attending the Trent to State-line arterial ribbon cutting in Spokane. Mr. Marr commented that he is currently working with the Department and neighborhood organizations to resolve the North Spokane freeway issue.

Commissioner Niva reported that she had attended the Trans-Lake Washington Study Executive Committee meeting. She also reported that she had attended Jake Baardson's funeral.

Commissioner Barnes reported that the I-5 Partnership has presented its findings and recommendations. He commented that there had been some last-minute proposals from individuals. He explained that the alternative proposals are not preferred alternatives by the Partnership. He also commented on the "I-5 Challenge" as presented by Plinio Crow in writing to the Commission. He stated that he had also attended the Kitsap County Economic Development Council meeting regarding transportation issues. He commented that there is an issue in Klickitat County regarding the Rails to Trails property dispute. Commissioner Barnes requested that the Department notify the Commission on the outcome of this property dispute issue.

Commissioner Davis reported he had attended the ground breaking of a new intermodal container yard that is being built by NW Containers. He stated that he chaired the Trans-Lake Washington Study Executive Committee meeting, and that the Committee proposed a preliminary preferred alternative for the corridor. The proposal is for a six-lane bridge that will have sufficient pontoon width to add high-capacity transit at a later date. He also reported that he attended the WSF Tariff Policy Committee meeting.

PUBLIC AND LEGISLATOR COMMENT PERIOD

There were no members of the public or legislators in attendance that testified.

AVIATION DIVISION QUARTERLY REPORT

John Sibold, Director, Aviation Division, reviewed the Aviation Division's business plan with the Commission. He stated that as a result of recommendations from the Joint Legislative Audit Review Committee (JLARC) the Aviation Division has formalized a business plan. Mr. Sibold stated that the business plan focuses on responsible management and effective communication with customers. He shared his plan to form an Aviation Advisory Committee called the Aviation Alliance. He stated that the Committee's composition is 15 members from local, state and federal aviation agencies and associations, appointed by the Director for two-year terms. The members will serve without compensation, meet quarterly and will address customer delivery expectations, education, the Airport Aid Program and help define the aviation needs for the state. Mr. Sibold commented that the Division will address the looming revenue shortfall as a priority. He stated that he would report quarterly to the Commission.

Barbara Tolbert, Executive Director, NW Experimental Aircraft Association, briefly explained the composition and purpose of the association to the Commission. Ms. Tolbert explained that the organization supports creating opportunities for people to get into aviation. She stated that one of the initiatives supported by the Association is a new certification for pilots and aircraft. Ms. Tolbert stated that the Association endorses the findings from the JLARC study and is encouraged by the steps being taken by the Department to implement those findings.

Al Banholzer, President, Washington Pilot's Association, commented on the Joint Legislative Audit Review Committee (JLARC) study. He stated that aviation is economically vital to Washington State, and that the Association reviewed the recommendations and findings of the study and agreed with it. Mr. Banholzer pointed out that there are 14 chapters of the Association with 1000 members in Washington State. He stated that all funds utilized by the Aviation Division are from general aviation funds and that more funding will be necessary in the future. He commented that aviation revenue should go to aviation funding rather than the State's General Fund. He stated that he supports the formation of the Aviation Advisory Committee and feels that a survey should be performed next year to assess the impact.

It was moved by Commissioner Niva, and seconded by Commissioner Maher to approve Resolution 639, endorsing the formation of the Aviation Advisory Committee (Aviation Alliance). The motion passed unanimously.

ENVIRONMENTAL MANAGEMENT SYSTEM PROJECT

Tony Warfield, Environmental Management System Project Lead, briefed the Commission on the Department's efforts to develop an Environmental Management System (EMS) that embraces all of the Department's programs. Mr. Warfield pointed out that in September 2001 the EMS Gap Analysis Study compared present business practices to the international standard for Environmental Management Systems. He stated that in March 2002 the Aspects Analysis Study looked at business activities and the environmental impact of construction, highway maintenance and the operation of ferry systems. Mr. Warfield stated that the Department's EMS Steering Committee will guide the development of EMS. He stated that a data architecture study has been conducted to aid in the development of associated information management systems. The study outlines where environmental data is generated, stored and used. The study will identify redundant data and data gaps, and assist the Department with using environmental data more effectively and efficiently. Mr. Warfield stated that an internal report summarizing existing information relevant to EMS development has been completed. He also stated that the EMS Project Team worked with compliance experts in maintenance, water quality and regulatory compliance programs to prepare mock-ups of erosion control, structural bridge repair and document control policies and procedures. Mr. Warfield noted that the EMS Steering Committee will make recommendations on Department-wide issues, document control, roles and responsibilities and record keeping. He stated that the Commission would be further briefed in December.

CENTRAL PUGET SOUND FREEWAY HOV LANES VARIABLE HOURS OF OPERATION EVALUATION

Dave McCormick, Regional Traffic Engineer, Northwest Region, briefed the Commission on the progress of the Central Puget Sound Freeway HOV Lanes Variable Hours of Operation Study. Mr. McCormick provided two final chapters of the HOV Evaluation Notebook, covering environmental undertakings, facility safety and operational issues. Mr. McCormick stated that the Department reviewed environmental implications of opening freeway high occupancy vehicle (HOV) lanes during off-peak hours. He stated that there were no adverse impacts to air quality, wildlife habitat, or endangered species anticipated. Mr. McCormick stated that an analysis of HOV lane safety and operational issues indicated that opening the HOV lanes to general-purpose traffic at night and on weekends would have a negligible affect on merging collisions as long as the direct access ramps remain restricted to HOV traffic. He stated that general-purpose use of HOV lanes in off-peak hours would change traffic patterns on freeways, most noticeably an increase in traffic in the left lane during off-peak hours. Mr. McCormick commented that in the short term there is a package of limited improvements recommended to prevent an increase in run-off-the-road accidents. He stated that the improvement package would enhance traffic safety in HOV time periods, and with some capital investment the freeways will be safer for variable hours of operation. Charlie Howard, Director, Northwest Washington Division Planning and Policy Office, reviewed the timetable for the evaluation, and indicated that the Commission would be briefed again in October before making a decision in November. He stated that if the Commission proposed a change in the hours of operation, the proposal would be released for public comment during November and December, and the final Commission decision would be made in January.

TACOMA NARROWS BRIDGE MONTHLY REPORT

Linea Laird, Tacoma Narrows Bridge Project Manager, provided an update to the Commission on the progress of the Tacoma Narrows Bridge Project. Ms. Laird announced that discussions with TransCore concerning the tolling system contract are underway, and that the project is moving forward. She stated that Tacoma City Council members are scheduled to take action on real estate transactions and agreements for the Living War Memorial Park and pump station relocation activities. She stated that the Burlington Northern Santa Fe (BNSF) easement is currently under development, and that a joint meeting between Tacoma Narrows Constructors, WSDOT and BNSF representatives was held for resolution of outstanding easement and maintenance and operations issues. Ms. Laird introduced Craig McDaniel as the Chief Engineer for the project.

2003 WSDOT SUPPLEMENTAL BUDGET

Amy Arnis, Manager, Financial Planning Office, briefly reported on the 2001-2003 revenue forecast update. She stated that the Motor Vehicle Fund is up \$1.2 million; WSF fare revenue is up \$1.9 million and Multimodal Fund is down \$.7 million. The Multimodal

Fund is a 1.4 percent reduction. Ms. Arnis stated that all revenue is up by \$2.5 million. She reported that 2003-2005 revenue dips are due to revised economic projections. She stated that Motor Vehicle Fund is down \$7.2 million, WSF is down \$4.1 million and Multimodal is down \$1.5 million. The total for the 4-year period is down about \$10.1 million. Ms. Arnis commented that there is no need for concern yet, and that there will be two more revenue forecast updates before the 2003-2005 budget is adopted.

Bill Ford, Budget Chief, Finance & Administration, briefed the Commission regarding decision packages for the 2003 supplemental budget. The Department is seeking funds to pay for the Rich Passage settlement, tort defense, self-insurance premiums and marine excess liability commercial insurance. The Department is submitting a decrease in the WSF fuel budget based on the latest consumption rates and fuel cost index. The Department is also seeking funds to pay for services from the Governor's Office, Office of Financial Management and for Human Resources Information Systems Development, collective bargaining and civil service reform.

It was moved by Commissioner Marr and seconded by Commissioner Maher, to approve Resolution 640, Attachment A, proposing 2001-2003 Supplemental Budget. The motion was approved unanimously.

AGENCY REQUEST LEGISLATION

Don Griffith, Director, Legislative & Strategic Management Relations, briefed the Commission on 2003 agency request legislation that had been presented to the Commission for review in July. Mr. Griffith stated that the Department is requesting the Commission's approval of legislation that would allow WSF to utilize alternative contracting procedures for its terminal construction program. The Department also proposes to seek legislation to allow the Department and affected property owners to exchange appraisal documents in property acquisition cases in order to facilitate timely resolution of negotiations. He stated that the Department is proposing legislation that would remove the moving and relocation expense limit of \$10 thousand as the maximum payment to dislocated businesses as payment for re-establishment. Mr. Griffith also stated that the Department is proposing seat belt tort liability reform legislation that will allow the fact that an individual's failure to wear a seat belt to be admissible as evidence in civil actions involving injury claims. Finally, the Department proposes legislation to transfer responsibility for recording and reconciling collision data to the Department. Mr. Griffith briefed the Commission on the Legislative Transportation Committee (LTC) meeting, stating that the Committee had heard presentations regarding information signing and incident response.

It was moved by Commissioner Barnes, and seconded by Commissioner Maher to approve the list of agency request legislation. The motion was approved unanimously.

Commissioner Davis commented on proposed legislation by Regional Transportation Improvement District (RTID) that amends the authorizing legislation and would make transportation demand management programs available for funding through RTID. Commissioner Forner inquired if the Department will propose legislation to deal with tort liability. Commissioner Forner suggested that the Department pursue legislation on this issue. Commissioner Marr commented on studded tire legislation and stated that he feels it should be pursued if the use of studded snow tires cannot be resolved by other means. Brian Ziegler, Director, Maintenance and Operations Programs, stated that the Department would focus on the safety problems of studded snow tires with the tire industry. He stated that the tire industry is also concerned about safety and that joint legislation should be developed. Commissioner Kargianis commented that the Department should not extend the time allowed for studded snow tire use and keep to a stationary schedule. Commissioner Maher suggested that the Department educate the public with regards to studded tire safety.

PROGRAM DELIVERY REPORT

Greg Selstead, Manager, Program Delivery, briefed the Commission regarding expenditure levels for the Highway Construction Program through the month of July 2002. He stated that the Highway Construction Program is the largest single component of the Department's two-year transportation budget. Mr. Selstead stated that the program's cash flow depends on many factors, and that one of the most important is the Department's success in advertising and awarding projects in accordance with its projections. He stated that the expenditure rates experienced to date are a positive indication of the Department's project delivery progress in the current biennium. Mr. Selstead stated that the Department continues to monitor expenditures to maximize delivery while remaining within program appropriations.

FEDERAL TRANSPORTATION ACT OVERVIEW

Larry Ehl, Federal Liaison, provided an overview of TEA 21. Mr. Ehl stated that the Intermodal Surface Transportation Efficiency Act (ISTEA) and the Transportation Act for the 21st Century (TEA21) greatly expanded the flexible use of federal highway and transit funds. The intent of Congress was to allow states and local jurisdictions greater flexibility in determining how federal funds will be used. The goal was to aggressively implement the ISTEA/TEA 21 by ensuring a distribution of resources among regions and agencies that would contribute to an efficient, environmentally sound multi-modal statewide transportation system. Kathleen Davis, Director, Highways & Local Programs, explained the Congestion Mitigation/Air Quality (CMAQ) and Surface Transportation (STP) Programs. She described how the funds are distributed to local governments for transportation projects and programs that help meet the Clean Air Act requirements. Ms. Davis stated that the distribution of funds, established in ISTEA and unaltered by TEA 21, reserves a portion of funds for communities of greater than 200,000 population and communities smaller than 5,000 population, with the remaining reserved for the other areas in the state. Ms. Davis described the Federal Enhancement Program. Federal law earmarks 10 percent of the STP Program for

safety, split into two statewide grant programs: Hazard Elimination Safety and Hazardous Railroad Crossing Program. Ten percent of the STP Program is reserved for enhancements to address non-traditional transportation investments statewide. Rick Smith, Director, Planning and Capital Programs, stated that there are two programs that provide funds for the Interstate System. The Maintenance Program is allocated to each state by federal formula to be used as flexible funds. The other is Interstate Maintenance Discretionary (IMD), and is allocated to states for preservation of the interstate system and certain other improvements.

MULTIMODAL INVESTMENT CHOICE ANALYSIS (MICA)

Ashley Probart, Manager, Statewide Planning, briefed the Commission regarding what steps are to be considered regarding the possible further development of the Multimodal Investment Choice Analysis (MICA) Model. To meet the requirements of a budget appropriation the Department's research office contracted with the Washington State Transportation Center. He stated that a technical review committee composed of the Commission, Governor's Office, Legislative and Department Staff was created to oversee the project. The Transportation Research Center conducted research to determine if other states or jurisdictions have performed analysis and to inventory the Department's analysis method. The center also developed Multimodal investment choice analysis methods and technical structure. He stated that the MICA Project developed a database process to bring disparate projects into a central database. There is now a common criteria for general analysis approaches to provide consistent evaluation of projects within and across modes. He stated that a prototype demonstrates feasibility concepts in practice, but additional funding is necessary to refine the prototype. Secretary MacDonald suggested the Department develop a work program to complete the next set of tasks and report back to the Commission in November.

URBAN CORRIDORS REPORT

Dave Dye, Urban Corridors Administrator, reported on the progress of the Alaskan Way Viaduct project and the Trans-Lake Washington Study. He explained that a retrofit to the Viaduct is not feasible as a result of possible structural failure due to weak column-beam and column foot piling connections. Mr. Dye also explained that "no build" alternative must be included in the Environment Impact Statement. He stated that the proposed replacement of the Viaduct is limited in Phase One to the actual Viaduct and the connections to the remainder of SR 99. The more extensive corridor improvements recommended by the Leadership Group would wait for future funding. Mr. Dye addressed issues regarding the Trans-Lake Washington the SR 520 Bridge Project, and the possible failure points in the corridor due to the seismic and storm risks. He provided details about the Trans-Lake Executive Committee's initial recommendation for a preliminary preferred alternative of six lanes with an option for expansion to accommodate future high-capacity transit. Mr. Dye explained that the next step for the Trans-Lake Washington Project is to meet with the community, continue the environmental analysis and Phase One development.

The Commission meeting adjourned at 12:00 p.m. on September 19, 2002.